



Manufacturing in Virginia

SIC 30 Rubber and Plastic Products



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Overall Assessment

- Virginia employment statistics first reported separately in 1979.
- Virginia industry grew 94 percent since 1979, adding almost 12,000 jobs.
- Fastest growing manufacturing industry in the U.S. since 1979 and second fastest in Virginia.
- Virginia has increased share of this industry by 50 percent since 1979.

Employment

	Virginia		U.S.	
	Employment	Rank	Employment	Rank
1979	12,600	16	781,600	11
2000	24,500	8	1,004,800	8

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Employment Trends

Absolute Employment Growth

	Virginia		U.S.	
	Absolute Employment Change	Rank	Absolute Employment Change	Rank
1979-2000	+11,900	3	+223,200	2

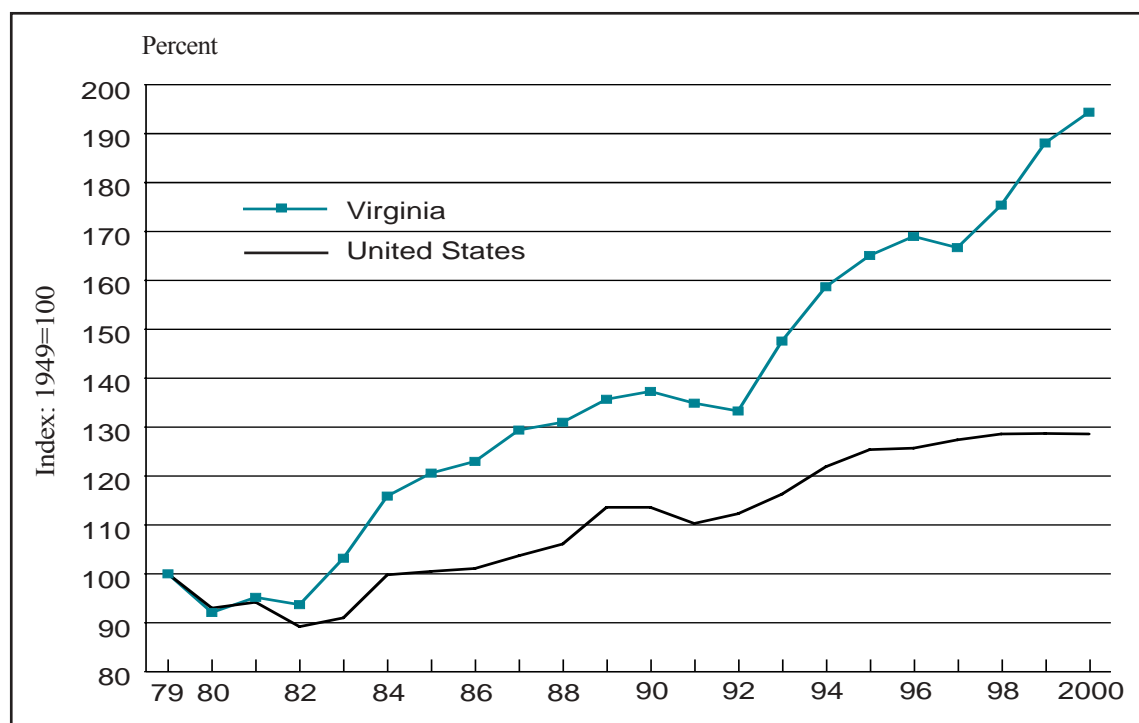
Source: U.S. Department of Labor, Bureau of Labor Statistics.

Relative Employment Growth

Virginia Annual Average Growth Rates		
	Growth Rate 1979-2000	Rank
Rubber and Plastics Products		
Virginia	3.2%	2
U.S.	1.2%	1
Nonagricultural Employment	2.4%	
Manufacturing	-0.3%	
Nondurable Goods	-0.9%	

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Employment Change 1979-2000



Source: U.S. Department of Labor, Bureau of Labor Statistics.

Establishments

Number of Establishments

	Virginia		U.S.	
	Establishments	Rank	Establishments	Rank
Rubber and Plastics Products	195	18	17,355	9
Manufacturing	6,908	--	413,506	--
Rubber and Plastics Products as a % of Mfg.	2.8%		4.2%	

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Employment per Establishment

	Virginia		U.S.	
	Employment	Rank	Employment	Rank
Rubber and Plastics Products	120	5	58	10
Manufacturing	57	--	45	--

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Payroll

Payroll per Employee

	Virginia		U.S.	
	Payroll per Employee	Rank	Payroll per Employee	Rank
Rubber and Plastics Products	\$35,355	12	\$33,943	13
Manufacturing	\$35,767	--	\$41,941	--
Rubber and Plastics Products as a % of Mfg.	98.8%		80.9%	

Source: U.S. Department of Labor, Bureau of Labor Statistics.

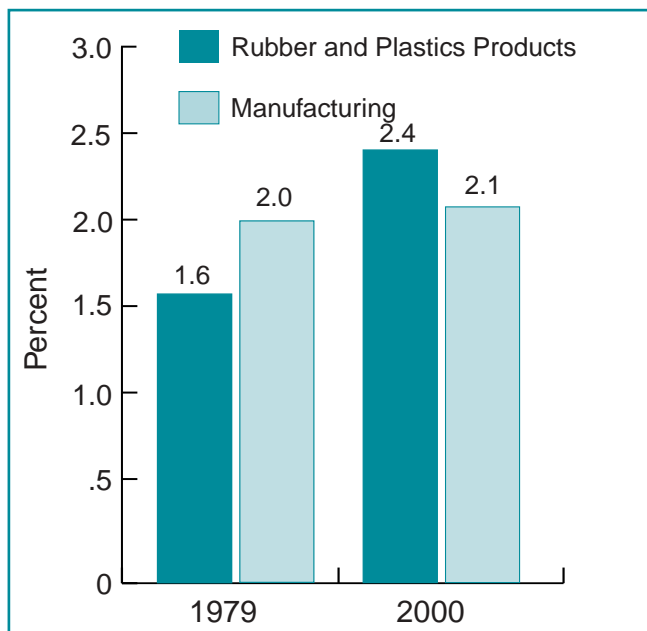
Exports

Virginia Exports		
	Rubber and Plastics Products	Manufacturing
2000	\$375,180,000	\$9,395,636,000
1995	\$233,523,000	\$9,294,115,000
Export Growth, 1995-2000	60.7%	1.1%
Share of Manufactured Goods Exports, 2000	4.0%	--

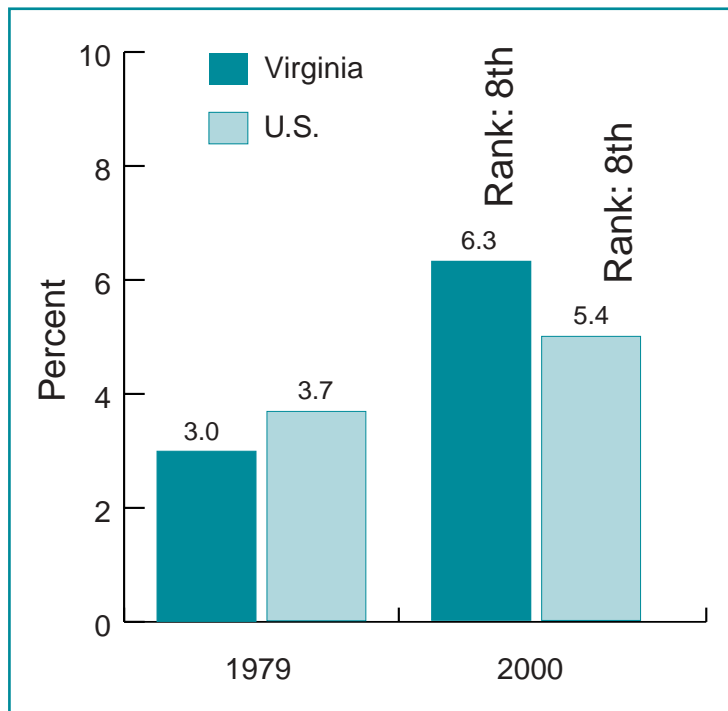
Source: U.S. Department of Commerce.

Industry Importance

Virginia's Share of National Rubber and Plastic Products Industry



Source: U.S. Department of Labor, Bureau of Labor Statistics.

Industry's Share of Manufacturing Employment

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Industry Trends

Virginia employment distribution: miscellaneous plastics products, nec (66 percent); tires and inner tubes (17 percent); fabricated rubber products, nec (12 percent); and hose, and belting and gaskets and packing (5 percent).

- Virginia remains attractive to the rubber and miscellaneous plastics industry for its nonunion environment, location incentives, and its proximity to major customers in the north- and southeast. Virginia continues to garner a high level of interest from foreign firms, particularly European companies.
- Historically, demand for plastics was spurred by the replacement of materials such as glass, paper, and metal, based on plastic's strong performance characteristics. Since much of this replacement has already occurred, further inroads will be harder to achieve.
- Mergers and acquisitions continue to fuel the growth of this industry. Driving much of this merger activity is the demand by OEMs (Original Equipment Manufacturers) for their suppliers to supply more than just parts. Many of these OEMs want suppliers with capabilities to produce subassemblies.
- Employment within the plastics industry increased 37 percent in the past five years. Virginia is the eighth fastest growing state for the plastics industry in terms of employment.
- Companies are becoming leaner - early involvement and complete injection molding capabilities are being sought. These services lend themselves to vertical integration. The use of cutting edge technology has also shortened lead times.